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INSTRUMENT PREPARED BY VIRGINIA GAS AND OIL BOARD

VIRGINIA:

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### BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB 03-0715-1159

ELECTIONS: UNIT AX-117 (herein "Subject Drilling Unit")

# REPORT OF BOARD

# FINDINGS AND ORDER

This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on August 1, 2003 which was recorded at Deed Book 590, Page 159 in the Office of the Clerk of the Circuit Court of Russell County, Virginia, on August 15, 2003, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CNX GAS COMPANY LLC (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates whether or not the escrow of funds is required with regard to Unit AX-117;

Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, Corporate Trust PA1328,123 Broad Street, Philadelphia, PA 19109-1199, Attn: Rachel Rafferty or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore.

This order is being re-recorded due to the omission of Exhibit EE which is attached. This recording supersedes the recording of Hylly 12, 2004.

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Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

Effective Date: This Order shall be effective on the date of its execution.

STATE OF VIRGINIA **COUNTY OF WISE** 

that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Susan G. Garrett Notary

My commission expires: 7-31.06

DONE AND PERFORMED THIS 6 th day of July \_\_\_\_, 2004, by Order of the Board.

K. Wilson,

Principal Executive to the Board

STATE OF VIRGINIA **COUNTY OF WASHINGTON** 

Acknowledged on this day of \_\_\_ Lely, 2004, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Director of the Division of Gas & Oil Board and Principal Executive to the Board, that he executed the same and was authorized to do so.

My commission expires: 9/3b/05.

Order Theorded Under Code of Vagania Section 40.1-861.23

**VIRGINIA**:

#### Exhibit A

#### BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of CNX Gas Company LLC for Forced Pooling of Interests in CBM Unit AX-117 VGOB 03-0715-1159 in the New Garden District of Russell County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CNX Gas Company LLC, as a Manager - Environmental / Permitting and is duly authorized to make this affidavit on behalf of CNX GAS COMPANY LLC, the designated operator,

That the Order entered on August 1, 2003, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the county identified above; that said Order was recorded on August 15, 2003;

That the designated operator CNX GAS COMPANY LLC has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of August 1, 2003;

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

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That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

None

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are subject to escrow, they should be added and/or dismissed as respondents; the Operator requests that the following persons be added and/or dismissed as Respondents:

None

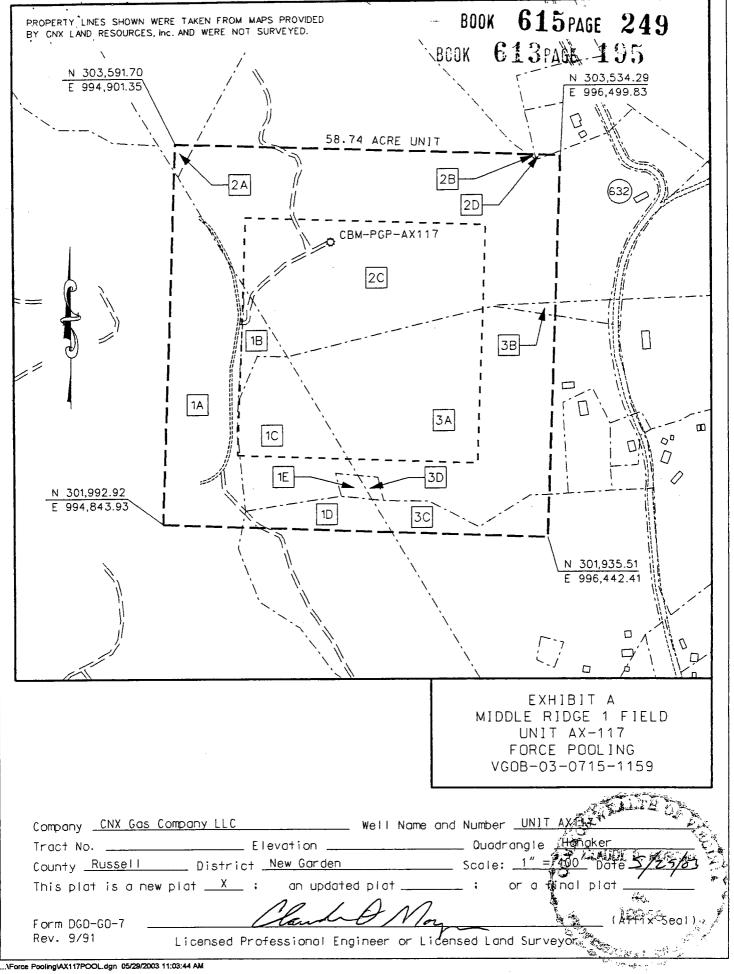
That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

See attached Exhibit EE

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at T	azewell, Virginia, this 2	day of JUNE	, 2004.
		Lush	Leslie K. Arrington
Taken, subscribe Permitting for CNX	d and sworn to before me Gas Company LLC, on beh	by Leslie K. Arrington as	s a Manager – Environmental /
June	, 2004.		
		$\mathcal{L}_{\mathcal{O}}$	

My commission expires: 10/31/05.



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# CNX GAS COMPANY LLC

#### Unit AX-117

Tract Identifications (58.74 Acre Unit)

- Buckhorn Coal Company Tr. 7 All Minerals
   Consolidation Coal Company Below Drainage Coal Leased
   CNX Gas Company LLC Above Drainage Coal Leased Except Kennedy Seam
   H. C. Bostic Coal Company Kennedy Seam Leased
   CNX Gas Company LLC CBM Leased
   Reserve Coal Properties Company Oil and Gas Leased
   16.27 acres 27.6983 %
- 1A. Buckhorn Coal Company Tr. 7 Surface
- 1B. Jearldine Whited Surface
- 1C. Beulah Brown Surface
- 1D. Rafty Dye Surface
- 1E. Cemetery Unknown Surface Owner
- 2A. Swords Creek Land Partnership Tr. 17 Coal
  Reserve Coal Properties Company Below Tiller Coal Leased
  CNX Gas Company LLC Tiller and Above Coal Leased
  CNX Gas Company LLC CBM Leased
  M. P. Whited Heirs, Devisees, Successors or Assigns Surface and All Minerals except Coal
  CNX Gas Company LLC Oil, Gas and CBM Leased
  0.15 acres 0.2554 %
- 2B. Swords Creek Land Partnership Tr. 17 Coal
  Reserve Coal Properties Company Below Tiller Coal Leased
  CNX Gas Company LLC Tiller and Above Coal Leased
  CNX Gas Company LLC CBM Leased
  James A. Hale, et ux. Surface and All Minerals except Coal
  0.01 acres 0.0170 %
- 2C. Swords Creek Land Partnership Tr. 17 Coal
  Reserve Coal Properties Company Below Tiller Coal Leased
  CNX Gas Company LLC Tiller and Above Coal Leased
  CNX Gas Company LLC CBM Leased
  Jearldine Whited Surface and All Minerals except Coal
  CNX Gas Company LLC Oil, Gas and CBM Leased
  23.96 acres 40.7899 %
- 2D. Swords Creek Land Partnership Tr. 17 Coal Reserve Coal Properties Company - Below Tiller Coal Leased CNX Gas Company LLC - Tiller and Above Coal Leased CNX Gas Company LLC - CBM Leased Tivis P. Brown, et ux. or James A. Hale, et ux. - Surface and All Minerals except Coal 0.02 acres 0.0341 %

# **CNX GAS COMPANY LLC**

Unit AX-117
Tract Identifications
(58.74 Acre Unit)

- 3. Swords Creek Land Partnership Tr. 18 All Minerals
  Reserve Coal Properties Company Below Tiller Coal Leased
  CNX Gas Company LLC Tiller and Above Coal Leased
  CNX Gas Company LLC CBM Leased
  18.33 acres 31.2053 %
- 3A. Beulah Brown Surface
- 3B. Jearldine Whited Surface
- 3C. Rafty Dye Surface
- 3D. Cemetery Unknown Surface Owner

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Exhibit B-3 Unit AX-117 Docket #VGOB 03-0715-1159 List of Unleased Owners/Claimants (58.74 Acre Unit) BOOK 613 PAGE 198

		Acres in Unit	Interest in Unit
II.	OIL & GAS FEE OWNERSHIP		
	Tract #2A, 0.15 acres		
	(1) M.P. Whited Heirs, Devisees, Successors or Assigns	0.15 acres	0.2554%
	<ul><li>(e) Eveline Whited &amp; John Franklin Heirs, Devisees, Successors or Assigns</li></ul>		
	(e.1) John Glen Franklin 250 Click Town road Church Hill, TN 37642	0.003 1/52 of 0.15 acres	0.0049%
	<ul><li>(h) Lucy Whited &amp; W.H. Brown Heirs, Devisees, Successors or Assigns</li></ul>		
	(h.2) Beulah Brown Rt.1 Box 247 Swords Creek, VA 24649	0.006 1/26 of 0.15 acres	0.0098%
	(i) Charley Whited Address Unknown	0.012 1/13 of 0.15 acres	0.0196%
	Tract #2B, 0.01 acres		
	(1) James A. Hale, et ux. RR1 Box 259 Swords Creek, VA 24649	0.01 acres	0.0170%
	Tract #2D, 0.02 acres		
	(1) James A. Hale, et ux. RR1 Box 259 Swords Creek, VA 24649	0.02 acres	0.0340%

# Exhibit E Unit AX-117

# Docket #VGOB 03-0715-1159

List of Conflicting Owners/Claimants that require escrow (58.74 Acre Unit)

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		Acres in Unit	Interest in Unit
ct #2A, 0.	15 acres		
COAL	FEE OWNERSHIP		
(1)	Swords Creek Land Partnership, Tr.17 P.O. Box 29 Tazewell, VA 24651	0.15 acres	0.2554%
OIL 8	GAS FEE OWNERSHIP		
(1)	M.P. Whited Heirs, Devisees, Successors or Assigns	0.15 acres	0.255%
<b>(b</b> )	Pauline & Manuel McPheron Heirs, Devisees, Successors or Assigns		
	(b.1) Roger McPheron P.O. Box 1222 Wise, VA 24293	0.003 1/52 of 0.15 acres	0.005%
(c)	Audrey Franklin 106 Johnson Street Weber City, VA 24290	0.003 1/52 of 0.15 acres	0.005%
(ď	Wiley & Betty Whited, Both Deceased (NO HEIRS)		
(e)	Eveline Whited & John Franklin Heirs, Devisees, Successors or Assigns		
	(e.1) John Glen Franklin 250 Click Town road Church Hill, TN 37642	0.003 1/52 of 0.15 acres	0.005%
(f	) Roby & Naomi Whited Heirs, Devisees, Successors or Assigns		
	(f.1) Linkous Whited Rt.2 Box 100 Honaker, VA	0.012 1/13 of 0.15 acres	0.0209
	(f.2) McKinley Whited P.O. Box 1079	0.012 1/13 of 0.15 acres	0.0209
	Raven, VA 24639		
		0.012 1/13 of 0.15 acres	0.0209
	Raven, VA 24639  (f.3) Virginia Phipps HCR 63 Box 53		0.0209 0.0209

# Unit AX-117

# Docket #VGOB 03-0715-1159

Exhibit E

# List of Conflicting Owners/Claimants that require escrow (58.74 Acre Unit)

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		Acres in Unit	Interest in Unit
(h	) Lucy Whited & W.H. Brown Heirs, Devisees, Successors or Assigns		
	(h.1) Kyle Brown Rt.1 Box 231 Swords Creek, VA 24649	0.006 1/26 of 0.15 acres	0.010%
	(h.2) Beulah Brown Rt.1 Box 247 Swords Creek, VA 24649	0.006 1/26 of 0.15 acres	0.010%
	(h.3) Ada Reedy c/o Ralph Reedy, Power of Attorney P.O. Box 159 Davin, WV 25617	0.006 1/26 of 0.15 acres	0.010%
	(h.4) Idinia Perkins 1003 N. Trumble Road Mansfield, OH 44906	0.006 1/26 of 0.15 acres	0.010%
(i	) Charley Whited Address Unknown	0.012 1/13 of 0.15 acres	0.020%
Ü	) H.C. Bostic Coal Company P.O. Box 220 Swords Creek, VA 24649	0.011 1/14 of 0.15 acres	0.018%
	.01 acres		
	Swords Creek Land Partnership, Tr.17 P.O. Box 29 Tazewell, VA 24651	0.01 acres	0.0170%
OIL 8	GAS FEE OWNERSHIP		
(1)	James A. Hale, et ux. RR1 Box 259 Swords Creek, VA 24649	0.01 acres	0.0170%
#2D, 0.	02 acres		
COAL	FEE OWNERSHIP		
(1)	Swords Creek Land Partnership, Tr.17 P.O. Box 29 Tazewell, VA 24651	0.02 acres	0.0340%
OIL 8	GAS FEE OWNERSHIP		
(1)	Tivis P. Brown, et ux. Rt.1 Box 257 Swords Creek, VA 24649	0.02 acres	0.034%
	VIRGINIA: IN THE OFFICE OF THE CLERK OF THE C presented in said office, and upon the certificate of ack tax imposed by Sec. 58.1-802.	CIRCUIT COURT OF RUSSELL COUN nowledgment thereto annexed, admitted	TY, 7-12 ed to record at <b>3</b> :36

Original returned this date to:

# Exhibit EE Unit AX-117

# Docket #VGOB 03-0715-1159

# List of Conflicting Owners/Claimants with Royalty Spllt Agreements (58.74 Acre Unit)

		Acres in Unit	Interest in Unit
ract #2A, 0.	15 acres		
COAL	FEE OWNERSHIP		
(1)	Swords Creek Land Partnership, Tr.17 P.O. Box 29 Tazewell, VA 24651	0.15 acres	0.2554%
OIL 8	GAS FEE OWNERSHIP		
(1)	M.P. Whited Heirs, Devisees, Successors or Assigns	0.15 acres	0.255%
(a)	Jearldine Whited RR1 Box 256AA Swords Creek, VA 24649	0.046 4/13 of 0.15 acres	0.079%
ract #2C, 23	3.97 acres		
COAL	FEE OWNERSHIP		
(1)	Swords Creek Land Partnership, Tr.17 P.O. Box 29 Tazewell, VA 24651	23.96 acres	40.7899%
OIL &	GAS FEE OWNERSHIP		
(1)	Jearldine Whited RR1 Box 256AA Swords Creek, VA 24649	23.96 acres	40.790%
			04031
			04

20

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSE presented in said office, and upon the certificate of acknowledgment thereto annexes	ELL COUNTY, 8-20, 2004. This deed was this day ed, admitted to record at 2:46 o'clock PM, after payment o
\$ tax imposed by Sec. 58.1-802.	
Original returned this date to: D. Davis	BY: TESTE: DOLLIE M. COMPTON, CLERK  D. CLERK

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# Exhibit E Unit AX-117 Docket #VGOB 03-0715-1159 milicting Owners/Claimants that requi

List of Conflicting Owners/Claimants that require escrow (58.74 Acre Unit)

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	Acres in Unit	Interest in Unit	ن
- OR -			
(1) James A. Hale, et ux. RR1 Box 259	0.02 acres	0.0340%	
Swords Creek, VA 24649			0402673